

CENTRAL REGIONAL OFFICE
HEADQUARTERS

Indiana Economic Development Corporation
One North Capitol, Suite 700
Indianapolis, IN 46204
Tel: 317-232-8888
Fax: 317-232-4146
www.iedc.in.gov

NORTH CENTRAL REGIONAL OFFICE

Indiana Economic Development Corporation
209 North Main Street, Suite 202
South Bend, IN 46601
Tel: 574-288-6836
Fax: 574-288-6837
www.iedc.in.gov

NORTHEAST REGIONAL OFFICE

Indiana Economic Development Corporation
300 E. Main Street
Fort Wayne, IN 46802
Tel: 260-436-3000
Fax: 260-436-3044
www.iedc.in.gov

NORTHWEST REGIONAL OFFICE

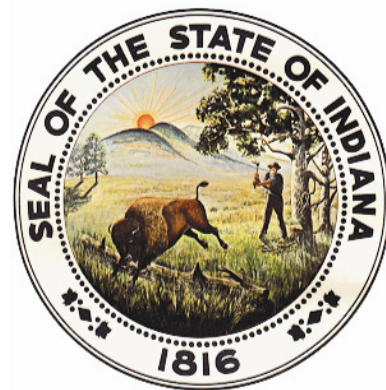
Indiana Economic Development Corporation
9800 Connecticut Drive
Crown Point, IN 46307
Tel: 219-644-3696
Fax: 219-644-3695
www.iedc.in.gov

SOUTHEAST REGIONAL OFFICE

Indiana Economic Development Corporation
Venture Out Business Center
975 Industrial Drive, Suite 6
Madison, IN 47250
Tel: 812-574-4362
Fax: 812-574-4366
www.iedc.in.gov

SOUTHWEST REGIONAL OFFICE

Indiana Economic Development Corporation
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Evansville, IN 47712
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www.iedc.in.gov



INDIANA IS OPEN FOR BUSINESS



Business Initiatives



INDIANA IS OPEN FOR BUSINESS - *Initiatives & Services*

COST OF DOING BUSINESS

BUSINESS COSTS	INDIANA	Illinois	Kentucky	Michigan	Ohio
Business Expenses Estimated Payroll Based on 100 Employees (Avg. Annual Wage) (2003)	\$3,815,600	\$4,534,300	\$3,599,600	\$4,612,100	\$3,883,100
Avg. Mfg. Workers' Compensation Annual Tax Based on 100 Employees	\$71,733	\$165,502	\$145,784	\$197,398	\$155,324
Workers' Compensation Rate for Mfg. Per \$100 of Payroll	\$1.88	\$3.65	\$4.05	\$4.28	\$4.00
Avg. Unemployment Insurance Based on 100 Employees (2 nd Qtr., 2004) Per Employee (2 nd Qtr., 2004)	\$15,400 \$154	\$36,300 \$363	\$20,000 \$200	\$34,200 \$342	\$18,000 \$180
Total State Business Taxes Including Corporate State Income Tax, Workers' Compensation and Unemployment Insurance (Feb. 2005)	\$172,133	\$274,802	\$243,409	\$302,811	\$257,124
OTHER STATE DATA					
Average Annual Wage, 2003 (Private Industry)	\$38,156	\$45,343	\$35,996	\$46,121	\$38,831
Industrial Electricity Costs, 2003 (cents/kWh)	\$.04	\$.049	\$.032	\$.047	\$.047
Average Annual Unemployment	5.1%	6.7%	6.2%	7.3%	6.1%

Assumptions: Taxable Income = \$1,000,000 and Employment = 100
Major Sources: U.S. Bureau of Labor Statistics / U.S. Department of Labor / Actuarial & Technical Solutions, Inc. / CCH Incorporated

Small Business Development Center (SBDC)

The mission of the Small Business Development Center ("SBDC") is to help Indiana businesses grow and create new jobs within the state. The SBDC provides free and low-cost information, management counseling, and educational services designed to support Indiana small business owners and potential entrepreneurs, including assistance with business plan development.

Certified Technology Parks

The Certified Technology Park program was created as a tool to support the attraction and growth of high-technology business in Indiana. Designation as a Certified Tech Park allows for the recapture of certain state and local tax revenue which can be invested in the development of the park.

Permitting Assistance

The IEDC can assist companies by serving as a liaison between the company and communities, local economic development organizations and regulatory agencies. The IEDC can also provide permit application assistance and tracking. This service is an effort to minimize the amount of time spent on regulatory compliance.

Initiatives

In addition to the grants, tax incentives, and services the IEDC offers generally, we are also focusing efforts on particular industries including:

- Life Sciences**
Advanced Manufacturing
Agribusiness
Insurance
- IT/High-Technology**
21st Century Logistics
International Development
Motor Sports



LATEST LEGISLATIVE DEVELOPMENTS

Research and Development Tax Credit

For taxable years beginning after December 31, 2007, the qualified research expense credit will be increased from 10 percent to 15 percent on the first \$1,000,000 of investment. The research expense credit may be carried forward for 10 years.

Research and Development Sales Tax Exemption

This program provides a refund of 50 percent of the sales taxes paid on transactions involving research and development equipment acquired after June 30, 2005, and before July 1, 2007. This program will then exempt a person from 100 percent of the sales tax on research and development equipment acquired after June 30, 2007.

Automatic Property Tax Deduction Phase-In

Companies of all sizes making investments that increase their property's assessed value can receive an automatic property deduction. Deductions are available for investments in real and personal property. The deduction under this section is first available in the year in which the increase in assessed value resulting from the investment occurs and continues for the following two years.

Hoosier Headquarters Relocation Tax Credit

Beginning in 2007, a business that relocates its corporate headquarters (defined as the location of the principal office of the principal executives) to Indiana is entitled to a credit against its state tax liability equal to half of the costs incurred in relocating the headquarters. A company must have a worldwide annual revenue of at least \$500 million to qualify.

Shovel Ready Program

In an effort to accelerate the timeframe in which new businesses can relocate to or expand in Indiana, the Shovel Ready Site Development Center maintains a list of sites that have been pre-permitted.



Indiana Home Zimmer, Inc. Enkei America, Inc. Reggie Miller, Indiana Pacers Toyota Motor Manufacturing Burns Harbor Port

INDIANA IS OPEN FOR BUSINESS

The Indiana Economic Development Corporation (IEDC) is the state’s lead economic development organization. The IEDC has many incentive programs available for companies creating jobs and raising income in Indiana. Economic development incentives include tax credits based on job creation and capital investment, training grants, and public infrastructure assistance.

PROGRAMS AND SERVICES

Skills Enhancement Fund (SEF)

SEF provides financial assistance to new and expanding companies committed to training their Indiana resident workforce. Eligible companies can receive reimbursement of up to 50 percent of eligible training costs. Indiana continues this commitment to training by allowing companies to re-apply for additional funds to retrain employees after a two year period.

Technical Enhancement Certification for Hoosiers (TECH Fund)

The TECH Fund provides financial assistance to companies to assist with training their information technology (IT) workers. Eligible companies may receive reimbursement of up to \$50,000, \$2,500 per employee, or 50 percent of training costs, whichever is less. The program is administered on a reimbursement basis.

Industrial Development Grant Fund (IDGF)

These grants help communities meet the public infrastructure needs of a new or expanding business. Assistance is available for publicly-installed infrastructure leading up to, but not onto, the company’s property, except in the case of rail spurs and fiber optic cable.

Economic Development for a Growing Economy (EDGE)

EDGE tax credits are based on the additional employee payroll withholdings for net new job creation in Indiana. The grant may be for a period of up to 10 years. Credits are applied against the company’s Indiana income tax liability and are refundable.

Industrial Recovery Site Tax Credit (Dinosaur Building)

Credits are available for rehabilitating buildings that have been empty for the previous two years that were in operation at least 20 years ago, and that have at least 250,000 square feet of interior space.

Hoosier Business Investment Tax Credit (HBI)

HBI tax credits are available to a company making a “qualified investment” in an Indiana facility. Generally speaking, a “qualified investment” includes new buildings, building improvements and equipment. The credit award may equal up to 10 percent of the qualified investment, and may be carried forward for up to nine years. The credit percentage and carry-forward term are determined by the IEDC on a case-by-case basis.

Venture Capital Investment Tax Credit (VCI)

The Venture Capital Investment (VCI) Tax Credit is a non-refundable tax credit available to qualified applicants that provide investment capital to qualified Indiana businesses. The aggregate credit amount for a particular qualified business is equal to the lesser of 20 percent of the qualified investment or \$500,000.

21st Century Research and Technology Fund

The Indiana 21st Century Research and Technology Fund (“21 Fund”) helps develop and commercialize advanced technologies in Indiana. Proposals go through a review process whereby (1) the technology or science is reviewed by experts in the field and (2) the commercial viability of the proposal is evaluated.

Pennsylvania	Tennessee	Texas
\$3,110,900	\$3,894,000	\$4,338,200
\$89,275	\$166,274	\$241,638
\$4.24	\$4.27	\$5.57
\$33,600 \$336	\$19,600 \$196	\$21,600 \$216
\$309,418	\$250,874	\$308,238
\$41,490	\$38,940	\$43,382
\$.058	\$.043	\$.053
5.6%	5.8%	6.8%

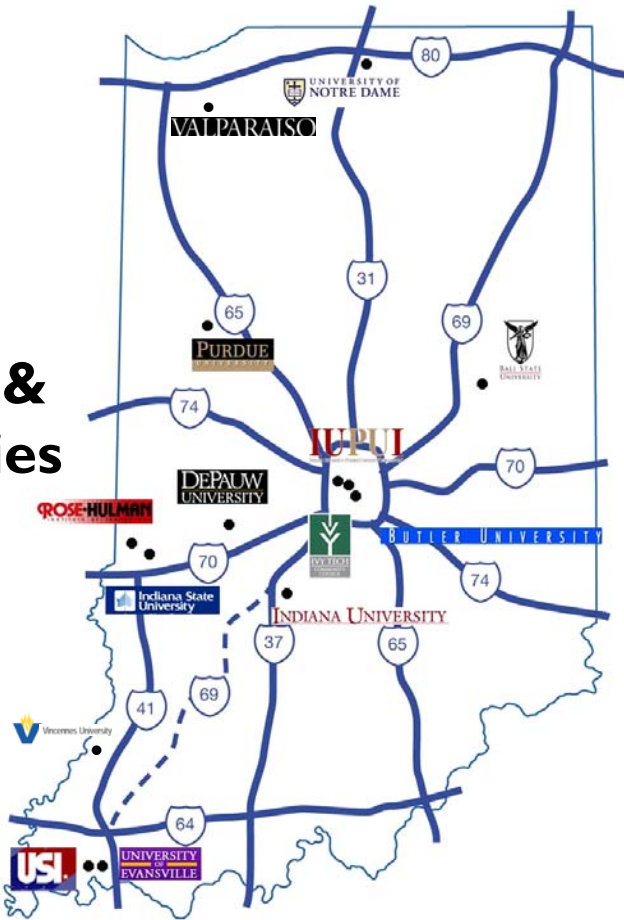
INDIANA OFFERS: Low Costs of Doing Business

- Lowest workers’ compensation costs and unemployment insurance in the Midwest
- Second lowest industrial electricity costs in the nation
- Business friendly regulatory environment

Diversified Economy

- A thriving base of many industry sectors including life sciences, information technology, advanced manufacturing, transportation, distribution and logistics
- Home to pharmaceutical leader Eli Lilly, the nation’s second largest FedEx hub, the Indianapolis Motor Speedway, and Toyota’s second largest vehicle production facility in North America

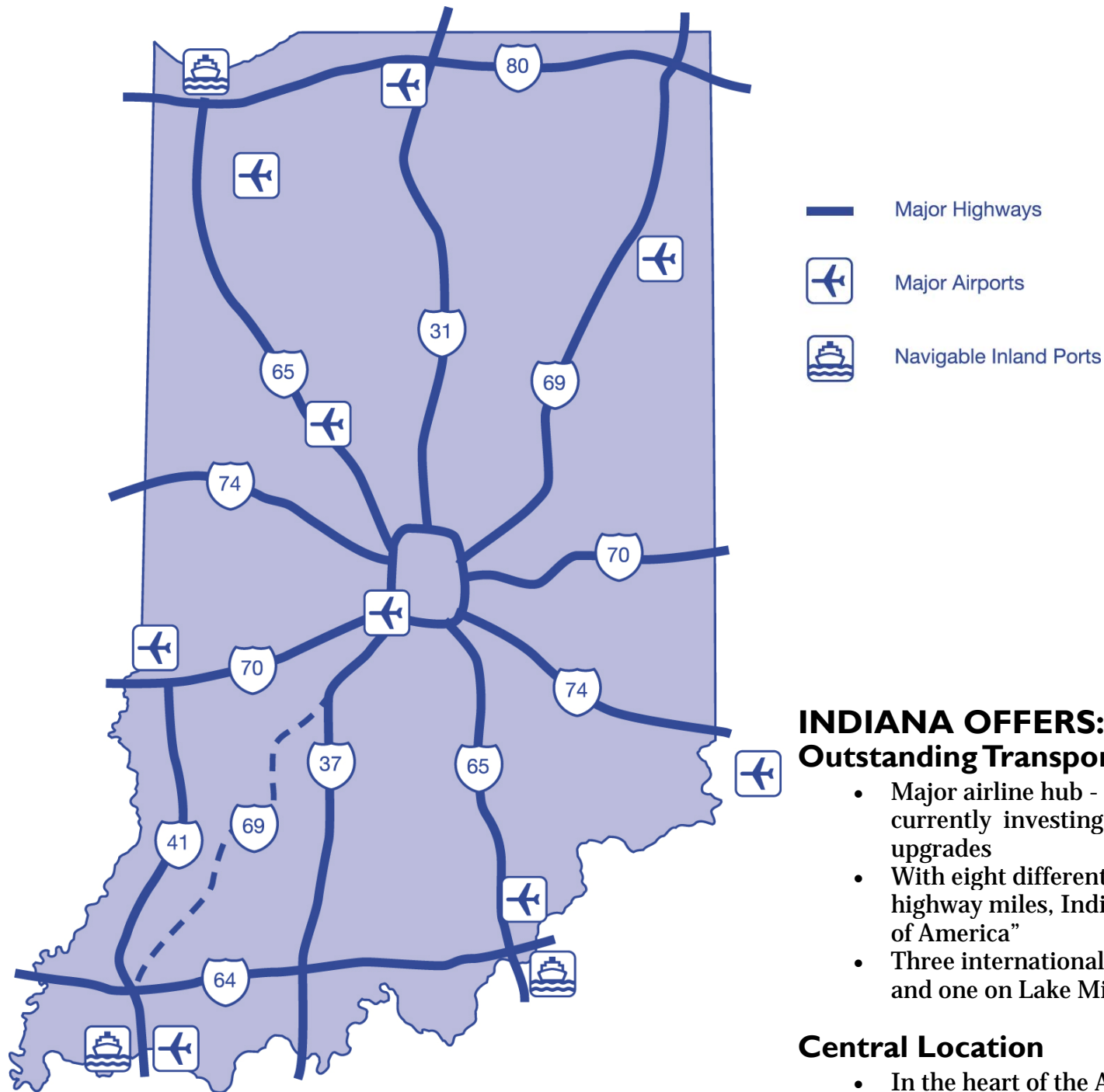
Colleges & Universities



INDIANA EDUCATION STATE RANKING	
High School Graduates	3
Freshman College Enrollment	10
Source: US Census Bureau & National Center for Education Statistics	



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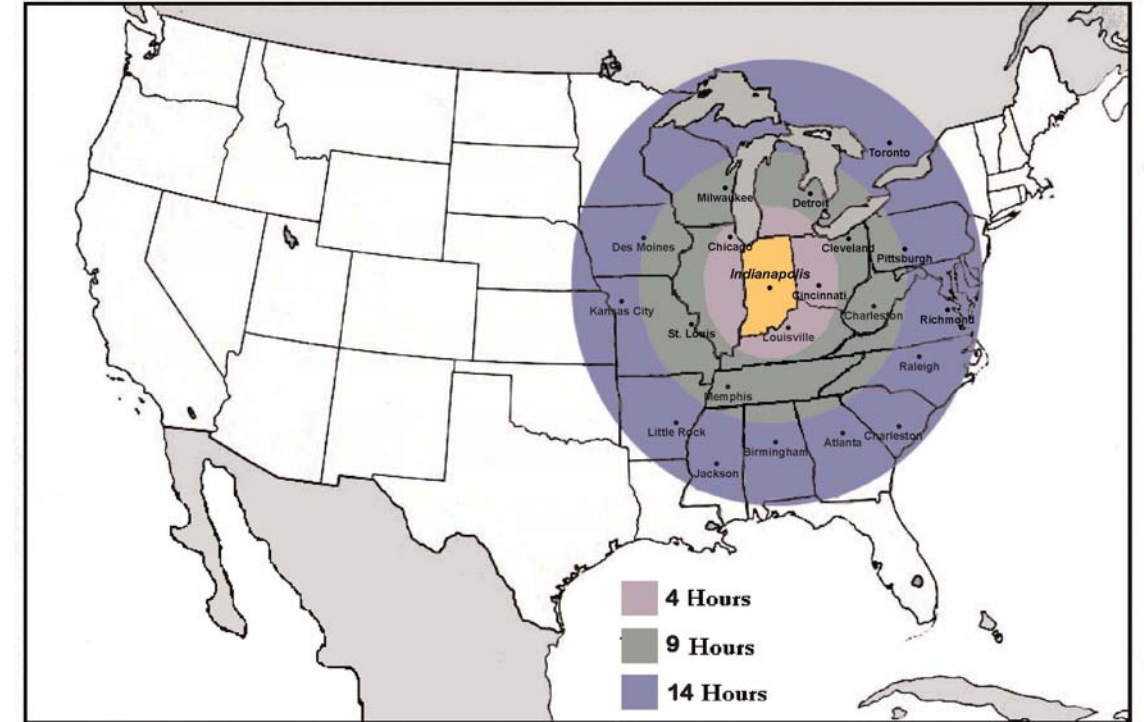


INDIANA OFFERS: Outstanding Transportation System

- Major airline hub - Indianapolis International Airport is currently investing over \$1 billion in expansion and upgrades
- With eight different major highways and 11,000 total highway miles, Indiana is referred to as "The Crossroads of America"
- Three international water ports - two on the Ohio River and one on Lake Michigan

Central Location

- In the heart of the American Midwest
- Within 1/2 day's drive to over 20 major metropolitan markets



High Quality of Life

- One of the least expensive places to live in the Midwest
- Home to world-class universities: Indiana University, Purdue University, the University of Notre Dame, Ball State University and Rose-Hulman Institute of Technology
- A great place to raise a family: clean, safe, full of family-oriented events and cultural activities, where education is a top priority



Indianapolis Zoo

Dow AgroSciences

Telamon Corporation

Peyton Manning, Indpls. Colts.

Sony Digital Audio Disc Corp.

Indiana Highway Infrastructure

Ryobi Die Casting USA, Inc.

Farmer Fertilizing Crops

Running of Indianapolis 500

University of Notre Dame

Indiana State Fair